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Committee on Transport and Tourism

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WORKING DOCUMENT

on the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community (COM(2006)818)

Committee on Transport and Tourism

Draftsman: Georg Jarzembowski

I. Brief description of the Commission proposal

The main elements of the Commission proposal are as follows:

- from 2011, all flights between Community airports are to be incorporated in the existing Community emissions trading scheme, and from 2012 all other flights to or from a Community airport should likewise be included;
- the total quantity of certificates is to be determined on the basis of 'historic aviation emissions' in the years 2004-2006;
- initially, the majority of the total quantity is to be allocated free of charge on the basis of tonne-kilometre data, while the remainder is to be auctioned using a procedure yet to be determined;
- certain flights are to be excluded from emissions trading, including government, military, customs and police flights.

II. Main themes and issues

1. Scope

Your draftsman cannot endorse the Commission's proposal that European airlines should be made subject to emissions trading before third-country airlines. In 2006, the European Parliament stated unambiguously that it favoured a uniform date of introduction, inter alia in order to avoid distortion of competition between airlines and airports. Consideration should also be given to the timing of such a uniform introduction - whether it should take place as early as 2010 (an idea which the Environment Committee is already considering) or not until 2013, when the post-Kyoto period begins.

The following questions arise from this:

- Should emissions trading be introduced at different times or at the same time, and on what economic, ecological and geopolitical grounds?
- What date of introduction is regarded as appropriate on what grounds?
- What is your assessment of the readiness of third States to affiliate to the European emissions trading scheme or to adopt equivalent national provisions to reduce the impact of aviation on climate?
- What reasons are there for or against the exclusion of government, military, customs and police flights and for or against the other exceptions?

2. Setting the total quantity of the certificates to be issued

Your draftsman cannot see why emissions trading in aviation after 2011 should - as proposed by the Commission - be based on average 'historic aviation emissions' in 2004-2006. Moreover, as an alternative, consideration is being given to the introduction of different percentages in conjunction with such a disparity in timing, such as 110% of 'historic aviation emissions'.

The following specific questions arise from this:

- What is the basic assessment of the Commission proposal concerning the calculation of 'historic aviation emissions', and what alternatives deserve consideration for what reasons?
- What reference period for 'historic aviation emissions' ought to be chosen, for what reasons, in the light of the date of introduction?
- What alternative percentages would be appropriate, for what reasons, if 'historic aviation emissions' in 2004-2006 are taken as the basis?

3. Methods of allocation of certificates

Your draftsman considers the Commission proposal regarding methods of allocation of certificates - mainly free, but with an unspecified proportion (with the existing general upper limit of 10%) to be auctioned - to be imprecise. The method of enabling new airlines to enter the market should also be reconsidered. Moreover, the method of calculation according either to payload (Revenue Tonne Kilometres (RTK)) or to aircraft capacity (Available Tonne Kilometres (ATK)) is still controversial.

The following specific questions arise from this:

- How should the certificates initially be allocated and on what grounds?
- On what grounds should certificates be allocated using the RTK or ATK calculation method or some other method?
- Does an auction make sense at all, and if so, how should it be conducted?
- What dangers to competition among airlines could arise from an auction?
- For what purposes should revenue from the auctions be used?
- How should new airlines receive certificates - by means of allocation or auction, and on what grounds?

4. Impact assessment

With the best will in the world, your draftsman cannot endorse the Commission's assessment of the impact of including aviation in the emissions trading scheme.

The following specific questions arise from this:

- The conclusions drawn from the questions raised in the above points 1 to 3 will determine the assessment of the impact on airlines, airports and - ultimately - passengers and climate: how compatible are they with the objectives of the Lisbon Strategy?
- What specific amendments to the Commission proposal are proposed in order to avoid individual negative effects in the light of the impact assessments?

5. Questions relating to the emissions trading scheme

Your draftsman considers that appropriate and effective inclusion of aviation in the European emissions trading scheme should be viewed and assessed in conjunction with other measures

to reduce the impact of aviation on climate.

The following specific questions arise from this:

- How likely is it that a worldwide emissions trading scheme for aviation will be adopted at the ICAO Assembly in September 2007 or by 2008? If one is adopted, should aviation therefore be excluded from the European emissions trading scheme or will it be brought into line with the relevant ICAO rules?
- What impact on climate would rapid implementation by EU Member States of the European provisions already adopted for a Single European Sky have in comparison with the inclusion of aviation in the European emissions trading scheme?
- What impact on climate could be achieved by means of changes in aircraft building, for example in the materials used, and in the construction of engines, as well as by using alternative fuels?

6. Further questions

As your draftsman has not been able to take up all the relevant issues in points 1 to 5, he would like to encourage interested members of the public themselves to raise further issues arising from the Commission proposal, for instance regarding the administrative practice so far proposed and the practicality of implementing the proposed rules.